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Committees
Economic Development, Small
Business and Regulatory Reform VC
Families and Human Services VC
Government Operations
Health Policy

The Jacobs Report

FOR IMMEDIATE RELEASE
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SENATE BILL 612

Senate offices have been flooded with calls supporting SB 612, sponsored by Sen. Laura **TOY** (R-Livonia). SB 612 is a response to the Public Service Commission, which issued rules for utility companies that will force them to end their appliance repair and service plans. SB 612 would allow the continuation of these repair and service plans, which give utility workers jobs and are popular with the public, especially retirees who feel that they can get their appliances repaired from a company they trust without being pressured to purchase unneeded new equipment.

SB 612 was referred to the Senate Committee on Energy and Technology, where it will likely receive a hearing this fall.

WARNING ISSUED ON FAUX CREDIT UNION

Following a newspaper advertisement from a company calling itself "First Rate Credit Union," the Office of Financial and Insurance Services issued a warning of "potential fraudulent activity."

"First Rate Credit Union" is not chartered in Michigan or any other state or by the federal government and is not insured with the National Credit Union Association, the agency said in a press release.

OFIS Commissioner Linda Watters said a preliminary investigation by both the agency and the NCUA's fraud division said First Rate "appears to be a criminal effort to defraud consumers of their money and assets."

STATE FAIR IN RED AFTER BLACKOUT

General manager John Hertel blamed the nation's biggest electrical blackout and cold, rainy weather for dismal attendance at the 2003 Michigan State Fair. Attendance was down 16.5 percent from last year. The fair, which had earned a profit in three of the last four years, will end 2003 with a deficit.

In contrast, Indiana and Ohio announced new record attendance for their state fairs. Ohio drew more than 1 million visitors, although 707,000 were paid; while Indiana drew 878,000. Both fairs were held in early August.

Michigan fair attendance for the year was down by 77,000 people to a total of 367,000, Mr. Hertel said.

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APPLIANCE SERVICE PLANS - READ THE FINE PRINT

Many utility companies offer home appliance service plans that provide repair coverage on furnaces, central air conditioners, water heaters, clothes washers and dryers, range/ovens, and other home appliances. Under these types of plans, the customer pays the company a yearly fee and the company agrees to repair any appliances covered under the plan. In the event of a covered repair, customers are not charged for parts, labor, or a service trip. However, as with any maintenance or service plan, you should read the fine print carefully to make sure you understand the costs, terms, and limitations of these plans.

Before purchasing a service plan, the Michigan Public Service Commission recommends consideration of the following points:

Costs

Always consider whether the yearly cost is worth the advantage of having coverage in the event of an appliance breakdown. Companies offer a variety of service plans. Costs vary, depending on the type of coverage each plan offers. For example, a basic plan covering only a furnace can cost around \$70-85 a year. A deluxe plan covering all major appliances might cost over \$220 a year.

Covered Services And Non-Covered Services

Always ask for a complete list of covered services and parts, and what is not covered. Some services and parts you might expect to be covered may not be covered. For example, a furnace tune-up and safety check is not covered under most standard furnace service plans.

Service Employees

Some utility companies use employees other than their own for service calls (contractors). Ask the company if its contractors are licensed, bonded, and carry appropriate insurance. Request a list of the company's approved contractors.

Limitation of Liabilities

Carefully review the terms and conditions of the plan. An appliance service plan limits the company's liability if it is unable to respond to a service call or successfully repair a covered appliance. For example, under most plans, companies will not pay for repairs when the company hasn't responded to a service call promptly due to workload emergencies and weather conditions and the customer has to have someone else repair a broken appliance. Under some plans, if the company's cost to repair an appliance exceeds its current market value, the company will not repair it. Ask for a copy of the terms and conditions of the plan and review it carefully.

State Senator Gilda Jacobs represents the 14th Senate District, which includes Beverly Hills, Bingham Farms, Farmington, Farmington Hills, Ferndale, Franklin, Hazel Park, Huntington Woods, Lathrup Village, Oak Park, Pleasant Ridge, Royal Oak Township, Southfield, and Southfield Township. She is the Minority Vice Chair of the Families & Human Services Committee and the Economic Development, Small Business & Regulatory Reform Committee. She also serves on the Government Operations and Health Policy Committees.

Constituents of the 14th District may contact Senator Jacobs at sengjacobs@senate.michigan.gov or toll-free at 1-888-937-4453.

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